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# Building a Bioenergy Company from the Ground Up

Ryan Little

Principal, Rocksteady Investments



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# The Sale of StormFisher Biogas

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- Founded by 3 entrepreneurs in 2006
- First Round -- \$300k from founders and angels (2007)
- Second Round -- \$350 MM partnership with PE firm to build 30 plants (2008)
- Financial crisis -- PE retrenches
- Exit -- GE & AES buy the company (Feb 2010); 2/3 founders exit
- Lots of shuffling since then



# The Early Days of StormFisher

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- Started in 2006 by three entrepreneurs who met at business school
- Began market research phase in summer 2006: RESOP was in draft and we saw this as an opportunity for entrepreneurs to get in
- Landed on biogas as best opportunity through our research
- Bootstrapped through to early 2008



*The Silver Bucket*



**Bas van Berkel**  
President

- Finance, Engineering
- Stubborn



**Chris Guillon**  
VP Finance

- Finance, Biology
- Cheap



**Ryan Little**  
VP Business  
Development

- New Venture Creation
- “Big Picture” (i.e. can’t add)



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# Opportunity Recognition

A proven, mature industry in Europe with virtually no presence in Ontario

Over 5,000 biogas plants in Europe



Major renewable incentives for renewable energy unveiled in the last year

Ontario Standard Offer Program

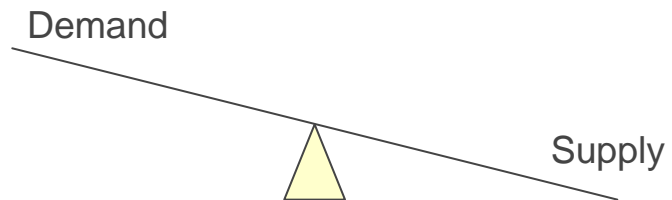
- Guaranteed Price: \$0.11 kWh
- Contract Term: 20 years

StormFisher Biogas is capturing this massive opportunity



*A renewable energy company focused on the North American biogas sector*

Huge volumes of high energy by-products that are currently a major cost to food industry



**Dynamics of Agri-Food By-Products Today**



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# Ideals, Assumptions and Action

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## Ideal

- A low carbon society
- A company we can feel proud of

## Market Research

- Does the industry favour entrepreneurs?
- The “you’re crazy” test
- It meets the needs of all key stakeholders
- Can you explain it to your grandmother?

## Business Model

- Don’t wait for it to be perfect—it never will be
- Entrepreneurship is all about implementation: good ideas are a dime a dozen



30 tonnes each year of “feedstock”

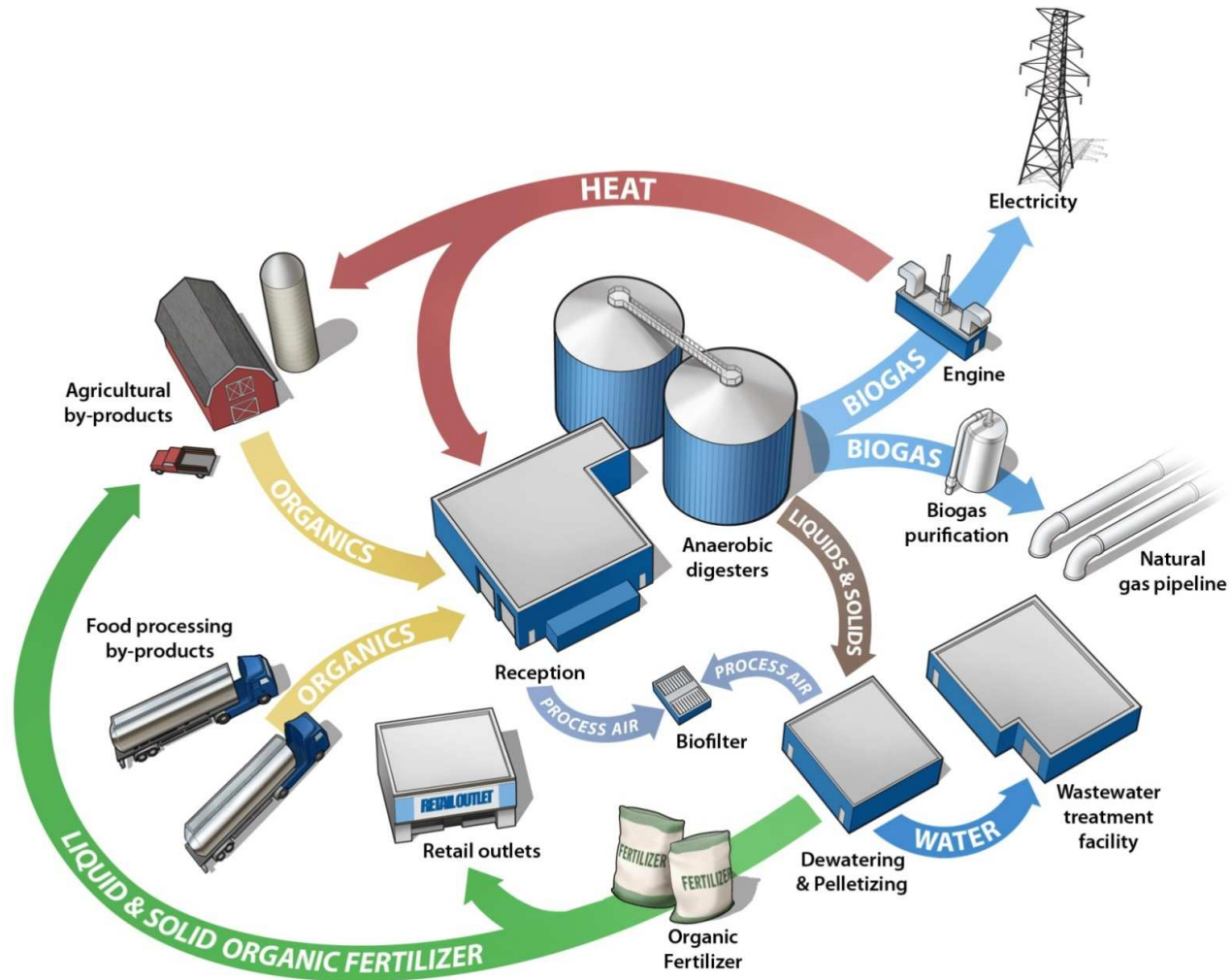


It’s a product, but does anyone care?



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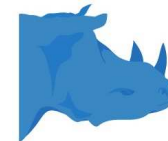
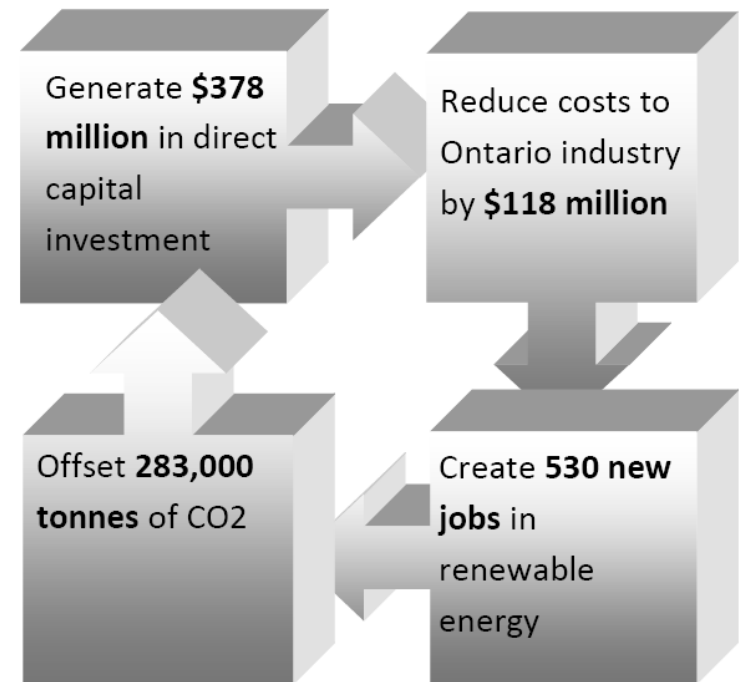
# StormFisher's Biogas Process



# What the Biogas Industry Could Mean to Ontario

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- The biogas industry is not just about electricity:
  - Reduced costs and safer disposal for **food processing companies'** organic by-products improves competitiveness
  - Solves a nutrient management problem for **dairy farmers**
  - Increases supply of non-chemical fertilizer; a new high-value, niche product for the **fertilizer industry**
  - Creates major opportunities in **academia, laboratory services** and **biotechnology**



# We Are Not Alone in Our Desire Build a Green Economy

- We are in a competitive landscape – many parts of North America are moving in the same direction
- How do we stack up against our neighbours?
- How do we translate lofty goals into streamlined regulation?
- What are our advantages and disadvantages relative to other jurisdictions?
  - Workforce profile
  - Incentives at the provincial/state and federal level
  - The rules of the game are different particularly relative to individual states
  - Strategic location vis-à-vis markets – where to manufacture?

## BUILDING THE RECOVERY

The General Services Administration will spend \$5.55 Billion on over 250 construction projects in all 50 states, the District of Columbia, and two U.S. territories. The projects will support the President's vision for a clean energy future, create jobs, and reinvest in our public buildings.



US - Federal



Michigan

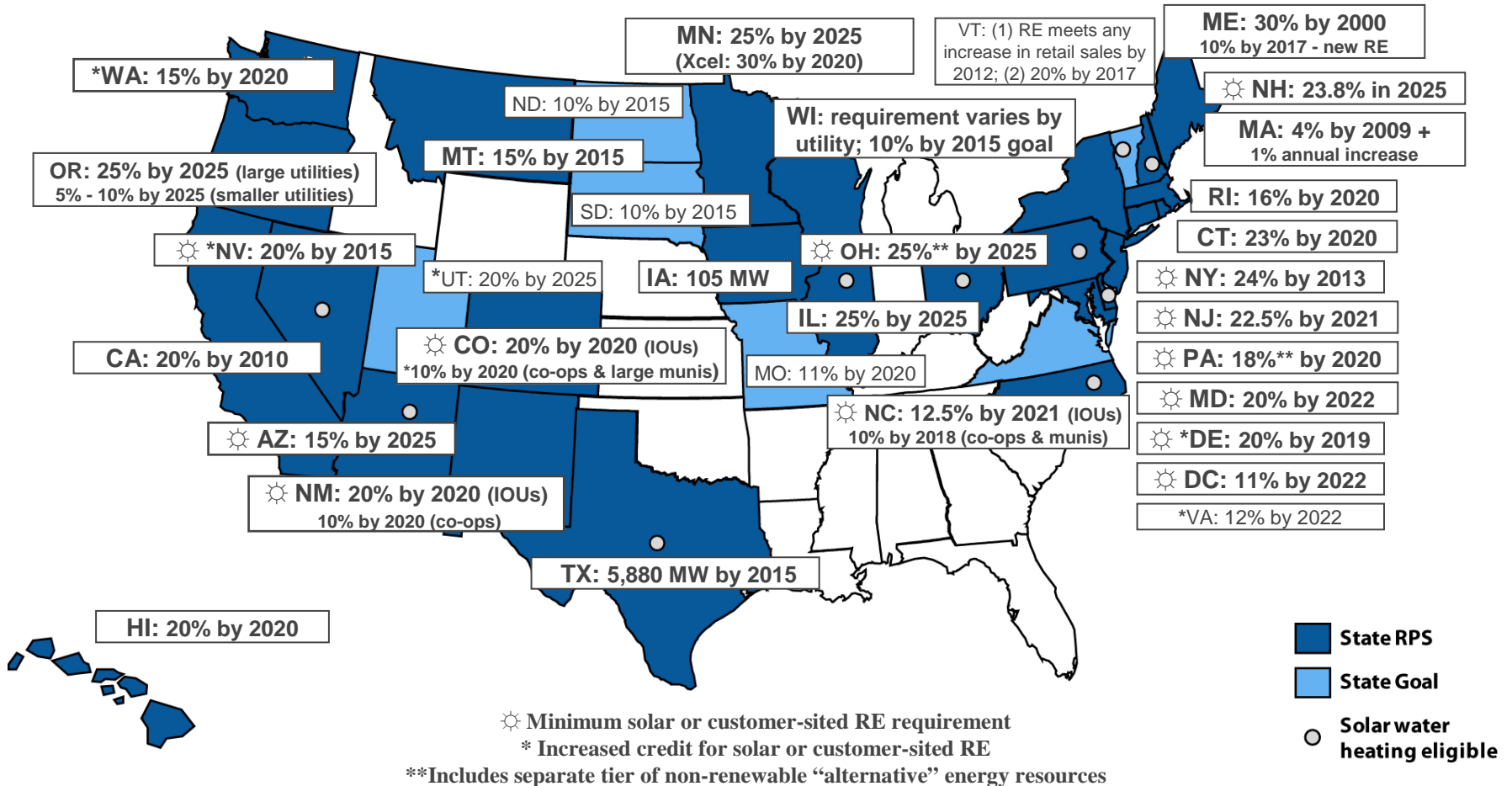


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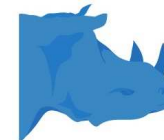


# The Competitive Landscape

- We're not the only ones driving green energy...



Source: DSIRE: [www.dsireusa.org](http://www.dsireusa.org) July 2008



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# Entrepreneur's Cheat Sheet to Funding

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- Know your target audience
  - Scattergun or sniper approach
  - What do you have to offer and how does it fit with your buyer
- There is no such thing as a dumb or offensive question (from the guy with the chequebook)
- Deals can be as creative as you want
  - Bells and whistles are the norm today
- Timing is everything
  - Time is a transaction's biggest enemy
  - Nothing happens quickly (within 3 months), and this gets worse with more parties at the table
  - If you are in a hurry, you will pay for it
- Final docs will look different from the LOI
  - Especially dealing with US firms
  - Prepare for the grind and don't get emotional



# What We're Doing Today

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- Rocksteady Investments launched April 1, 2010 with StormFisher co-founder Bas van Berkel
- Based in Toronto and Berlin
- Primarily focused on incubating and commercializing our own ideas
- Originated and own two companies:
  - Rocksteady Renewables, a renewable energy developer in biogas, landfill gas and solar
  - Parmenion Manufacturing, a waste plastics-to-product company based in Europe



Thanks!

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